The Need for a

Northern Alberta Development Strategy

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Section One

Introduction

Albertans take pride in their province. Albertans know there are few other places on earth that offer the same range and magnitude of opportunities for achieving success and building a good life. Alberta's landscapes are both diverse and beautiful. Our province is blessed with an abundance of natural resources, which have given rise to robust hydrocarbon, mining, forestry and agriculture industries – and which, for many decades, have provided a solid foundation for building and maintaining one of the strongest economies in Canada, if not North America.

Albertans understand with ever-stronger conviction the importance of maximizing the value of their natural resources through enhanced processing, developing higher-value products and converting their resource-based knowledge to create new wealth through services and new products. With increasing vigour, Alberta researchers, scientists and entrepreneurs are also finding new ways to address environmental impacts associated with resource development. Alberta products and expertise are in high demand around the world.

Alberta's strength is also rooted in its traditions and values. From its early settlement days, a pioneering and entrepreneurial attitude and a strong affiliation and respect for the land have influenced the character of Alberta's people. Albertans are known for their staunch belief in free enterprise, individual responsibility, family values and respect for law and order. Albertans want strong, vibrant and caring communities. Albertans believe individuals are empowered when they are well, healthy and safe, have access to quality education and training, and are able to contribute to the economy and to society.

Albertans are also adaptive. This manifests itself in many ways. They continue to honour and enjoy their Western traditions. At the same time, Alberta is a welcoming place for individuals and families who have come from more than 140 countries to build a new life. This ethnic diversity enriches our understanding, respect and appreciation for world cultures. When it comes to our economy, we also adapt – and today we are doing so faster and more eagerly than ever. We understand there are exciting new opportunities and new wealth to be found in embracing the global marketplace by diversifying markets and cultivating new trading partners. We are also committed to accomplishing this objective in a manner that is respectful and responsive to our traditional trading partners.

This report is about all of these things. It is about the core foundation of our economy and how it can best continue maintaining and supporting a quality of life that makes Alberta an exceptional place to live, work and raise a family. It is about celebrating our natural resources. It is about saluting our ingenuity in creating new wealth by using our natural competitive advantages. It is about the importance of adaptation. It is about Alberta's future.

This report follows in the footsteps of other reports and studies, including *Shaping Alberta's Future: Report of the Premier's Council for Economic Strategy*, which, among many other things, called for collaborative and creative responses to globalization. The contents of this report will contribute to the important discussion about ways and means to support Alberta's efforts to enjoy long-term success in the global marketplace.

The seeds of this report were sown in the summer of 2011, when Albertans were engaged in the process of selecting a new Premier. During that process, Albertans raised a number of issues: economic prosperity; pride and confidence in our resources; orderly, timely and sustainable resource development; diversification of markets; and the full participation of Alberta's First Nations and Métis in economic opportunities.

This report identifies the need for a northern Alberta development strategy as the mechanism to draw attention to the North and unleash its enormous economic potential through a long-term, orderly and sustainable development plan. Such a strategy would promote a better understanding of the North and help unite Albertans. It could also showcase northern Alberta as a dynamic world-class leader in northern community living, and a model for regional economic planning and development.

A Northern Alberta Development Strategy could instil a sense of pride in the North; avoid regional rivalries; and create confidence that long-term development in the North can be thoughtful and respectful. It must be based on partnerships and reflect the very best expertise for conceiving and building interesting communities, as well as smart, efficient infrastructure. It requires foresighted planning that anticipates investment and ensures that people services keep pace with the needs of communities and the rate of investment. Finally, it must respect expectations for sustainability and protection of the environment.

While the focus is the long-term, strategic best interests of the province, a northern Alberta development strategy must acknowledge and reflect the needs, interests and concerns of Aboriginal, regional and local communities. It must look at the North's strategic location in Western Canada and how its long-term development could be integrated with the planning and decisions of Alberta's neighbours and the federal government. It must also consider the North's role in expanding trade relationships with the enormous and rapidly growing economies of the Pacific Rim and the challenges and the opportunities involved in achieving that goal. This thinking is reflected in the work that Premier Redford is leading to develop a Canadian Energy Strategy.

Two core aspects of a northern Alberta development strategy receive special mention in this report: the importance of the Northwest Corridor linking Alberta's North to the Pacific Ocean, particularly the benefits of the Port of Prince Rupert; and the importance of fully engaging First Nations and Métis in the long-term development of the North. This second core value reflects a strong belief that full participation offers the best hope for stable, predictable development and more timely resolution of conflict between development and the legal and traditional rights of Aboriginal Peoples. It supports their legitimate goal, especially of their youth, to be full participants in the economy and full beneficiaries of its opportunities. The proposed Enbridge Northern Gateway Project powerfully illustrates these issues and the potential outcomes.

This report was commissioned by Premier Redford in November 2011 to provide the Premier's Office with a more fully developed rationale for a Northern Alberta Development Strategy, as well as recommendations as to its constituent parts and how it might be developed and managed. Of particular interest was the request for more information on the Northwest Trade Corridor and an assessment of First Nations and Métis willingness to be fully engaged in a development strategy.

We are grateful for the encouragement and support we received from Premier Redford and the staff within the Premier's Office. We also acknowledge government staff for their invaluable assistance. We extend special thanks to the Grand Chiefs of Treaty 6 and Treaty 8, Chiefs, Elders, the Métis leadership, technical staff and Aboriginal community members who gave so willingly of their time. This report also would not have been possible without input from the many other individuals with whom we met.

We were not able to meet with all of the individuals, groups or organizations that will need full involvement in shaping a northern Alberta development strategy if a decision is made to proceed. We are honoured to have had the opportunity to further advance the concept of a northern strategy to this stage.

Every province has its defining moments, offering windows of opportunity that open the way to tomorrow's success. In Alberta's North, we have one of the world's truly great regions, with the potential to support sustainable, long-term economic prosperity for Alberta and Canada. We have a profound responsibility to ensure Alberta's North becomes all that it can be – a truly remarkable place for the 21st century.

Rick Orman

Section Two

Why a Strategy

Many factors determine the pace, direction and success of economic growth: availability of natural resources and market demand; geographical competitive advantages; availability of investment capital; modern and efficient infrastructure; political and social stability; labour market conditions; innovation, knowledge and financial commitment to research and development; and cultivation of markets. Stimulating and creating optimal conditions for these economic building blocks is vital to a vibrant economy. Foresight, timing, adaptability and the ability to create new opportunities are also critical ingredients for success.

Alberta's North has an abundance of resources with high global demand, its already-strong strategic location can be further maximized by better co-ordination in the Northwest Corridor, and its attractiveness to investors has been demonstrated. A strategy will define a long-term vision for northern development, and an implementation plan that achieves consensus on desired outcomes and pride across the province when those outcomes are achieved.

Few places in the world rival northern Alberta in terms of economic potential and long-term development. The region is strategically located and covers 60 per cent of the province's land mass. Its resource base is staggering. It contains 100 per cent of the province's mineable and drillable oil sands. Looking just at this industry alone, there are more than 1.7 trillion barrels of bitumen, 170 billion barrels of which are economically recoverable using today's technology. The North accounts for 21 per cent of Alberta's crop production, in addition to 10 per cent of its livestock production and contains 86 per cent of Alberta's forests. The products it offers have global demand that will only grow.

A thoughtful and well-planned strategy for Alberta's North is needed because of the province's past experience with focused growth in the North. Moreover, the delays in approving the proposed Keystone XL Pipeline, particularly the controversies surrounding the delays, represent a loud wake-up call telling us that Alberta's oil may not always be welcomed in the U.S. These concerns are not restricted to oil. With nearly 87 per cent of Alberta exports going to the United States, including 100 per cent of live cattle exports, 80 per cent of its beef and a large percentage of its wood fibre and manufactured goods, its other products have been and could be at future risk.

There are other compelling reasons to be thinking about new markets for our products. As noted by the Premier's Council for Economic Strategy, overreliance on the U.S. market is hindering our preparedness to trade and compete in what will be the most robust markets in the 21st century — markets that are already massive. As the Emerson Report told us,

> *In 2000, the countries we knew as 'developing' or 'emerging' were home to 56 per cent of the global middle class. By 2030, that figure is expected to reach 93 per cent. Much of that increase will be in Asia.*

We can and must begin to more earnestly prepare for the increased trade opportunities those markets will offer us, and Alberta's North has a pivotal role to play in these preparations.

More than two decades ago, leaders from government, the community, industry, labour and non-government organizations came together in Calgary with representatives from the research and academic communities and Alberta's youth as part of the Towards 2000 Together initiative. A key theme was the changing world and the new opportunities that could and should be ours — if we embraced the world with confidence in ourselves, and our considerable assets. The 21st Century was made for us, we were told, and trade was one of the ways we would make it ours. In 1990, just under 75 per cent of Alberta's exports went to the United States. Two decades later in 2010 (the most recent year for which statistics are available), 86.8 per cent of Alberta's exports ended up in the U.S.

Clearly, we can and must make better progress in diversifying our export markets. By focusing our best efforts on an inspiring northern Alberta development strategy that engages all Albertans, we can reverse our growing dependency on U.S. markets. Let us aspire to achieve in the next 10 years what we have not achieved these past 20 years.

The Northwest Corridor provides the critical linking infrastructure that can bring the vast resources and varied products of Alberta's North and the processing and refining strengths of Alberta's Industrial Heartland to the burgeoning markets of the Pacific Rim. The Northwest Corridor will also serve as a vital conduit that can support enhanced trade between the vast, remote and resource-rich northern regions of our neighbouring Western provinces and Northern Territories.

The explosive growth in the oil sands sector, which had already gathered full momentum by the late 1990s, provides excellent insight into the need for a comprehensive northern strategy, and how it should be carried out.

What did that expansion teach us? It taught us that we were excited, if not mesmerized, by the advances in oil sands technology that lowered production costs and opened up new opportunities for more and bigger projects. Government responded with new policies to attract the investment required for these projects to proceed. The policies worked – remarkably well, in fact – as investment flowed into the province in amounts that exceeded even the most optimistic forecasts.

While we enjoyed the economic benefits of more government revenues and a robust provincial economy that led national growth, difficult challenges followed. The Radke Report, released in 2007 and entitled *Investing in our Future: Responding to the Rapid Growth of Oil Sands Development*, documents these challenges.

The investment in oil sands and the industry expansion also exceeded the capacities of governments, communities, organizations and individuals. The issues created were myriad, complex and serious — a scarcity of workers and materials, which drove up construction costs for projects not only in the North but elsewhere in the province; a significant increase in the shadow population of Fort McMurray and other Northern centres; gaps in critical transportation and municipal infrastructure; housing shortages; and strains and stresses on people and community services, including health care, education, social services, protective services, recreational and sports facilities and arts and cultural facilities.

This experience had a profound effect on attitudes and expectations — not only concerning oil sands development, but also northern development in general. It also had significant impact on relationships with and between governments, Aboriginal Peoples, communities, industry, non-government organizations, service organizations within Alberta — and on Alberta's relationships with its neighbours, the rest of Canada and the world. Though the experience was difficult, it provided important insight that can help us now. We can use the knowledge and the hard-won skills we have learned to guide us in the development of the northern Alberta development strategy.

Following the rapid expansion of the oil sands, several initiatives were developed and implemented — not only in response to the 80 recommendations of the Radke report, but also in the findings of other commissioned reports and studies as well. These initiatives and actions addressed the immediate, new and longer-term impacts of accelerated growth and ongoing development.

As a consequence, we also have new attitudes, new expectations and new relationships that have empowered and strengthened us for future growth. As a province, as communities, as defined groups and as individuals, we are now more skilled in articulating visions and aspirations for future growth. We are more skilled in problem-solving and consensus-building. We are more committed to decision-making based on research and facts, and we are stronger in building partnerships based on trust and respect. These skills will be invaluable for the development of the northern Alberta development strategy.

Section Two

Legacy Issues to be Addressed in a Northern Alberta Development Strategy

While Alberta is better equipped to understand and manage future economic growth in the North on a sustained and long-term basis, it is clear from the northerners we spoke with that they are struggling with many of the same issues associated with past accelerated growth. Some went so far as to say a northern Alberta development strategy should in fact be defined by these issues. At the very least, there is an expectation that these legacy issues must be dealt with as part of a northern Alberta development strategy and in other government work such as the Capital Plan and the Social Policy Framework.

Following is a summary of these issues as identified to us:

1. Lack of skilled workers.

2. Government regulations and funding formulas that fail to take into account the unique circumstances created by northern weather conditions, existing infrastructure or small populations coping with large industrial projects and rapid inflow of large capital investment.

3. Constraints to providing quality education, training, health care and community development and enhancement opportunities.

The Government of Alberta has announced plans to improve the provision of primary health care in small and remote communities through the creation of family care clinics. The clinics will offer a range of services by a team of health professionals according to the specific needs of the community. One is already operating in the northern community of Slave Lake and up to 140 clinics will be created to serve Alberta communities all over the province.

Alberta has taken steps to improve access to post-secondary education in remote communities through the creation of Campus Alberta. This is a collective effort by all publicly funded post-secondary learning institutions and apprenticeship and training programs to provide accessible, affordable and quality learning opportunities, including online learning, to benefit Albertans no matter where they live.

4. High cost of living and high business costs, including electrical power costs and transportation costs.
5. Indifference to addressing service inefficiencies, especially in rail transportation.
6. CN's short-line abandonment policy.
7. Inadequate support for tourism development and value-added businesses.
8. Isolation of Northern communities and socio-economic impacts.
9. Transient population.
10. Timeliness and affordability of housing.

Section Three

Defining the North's Boundaries

Since its creation in 1963, the Northern Alberta Development Council (NADC) has used various boundaries for a precise definition of Alberta's North. The various boundaries that have been used over the years have something in common – a vast geographical area. Today's boundaries cover an area of approximately 397,100 square kilometres, about 60 per cent of the province's total land mass.

Section Four

Understanding Alberta's North

The creation of the NADC nearly 50 years ago indicates there is a long-standing awareness that Alberta's North does require some form of focused attention by the province. The characteristics that initially supported this view have remained remarkably consistent over these many decades: a large land base with a small, scattered population; limited infrastructure, especially in transportation and telecommunications; immense proven as well as yet-to-be delineated natural resources; a proportionally large Aboriginal population; and challenges related to labour market planning, community development and provision of people services across a remote area with a resource-based economy subject to the vagaries of international commodity pricing and economic conditions.

Since the first operational oil sands plant was started in 1967 and the emergence of a forestry industry in the 1980s, resource-based development in the North has accelerated beyond what most people would have envisioned even as recently as the mid-1990s before the prodigious build-out of new oil sands projects – expansion made possible by government policy changes and advances in new technology that reduced production costs and opened the door for commercial in situ development of oil sands. The accelerated development of the oil sands industry in the past decade has only served to highlight and make more urgent the historical challenges that have faced the North, especially with respect to infrastructure, people services and community development.

Alberta's North at a Glance *

- Information provided by NADC using 2006 Census Data, (the most recent available)

Population

Approximately 10 per cent of Alberta's population lives in the North (344,000 people*). Nearly 43 per cent of the population lives in communities with less than 2,000 residents. Fort McMurray is the region's largest urban centre with approximately 65,000 residents. Within the larger Regional Municipality (R.M.) of Wood Buffalo, there are approximately another 36,000 residents. Taken together, the R.M. of Wood Buffalo has approximately 27 per cent of the total population in northern Alberta. In addition to Fort McMurray, the region has two other urban centres: Grande Prairie, with slightly more than 50,000 residents (Alberta's eighth largest city), and Cold Lake, with 12,678 residents.

Besides the three urban centres, there are fifteen communities with populations exceeding 2,000 residents: Whitecourt (9,202), Slave Lake (7,031), Bonnyville (6,470), Peace River (6,315), St. Paul (5,632), Fairview (3,927), High Level (3,887), Grande Cache (3,783), High Prairie (2,836), Lac La Biche (2,758), Athabasca (2,740), Grimshaw (2,573), Fox Creek (2,278), Beaverlodge (2,264) and Sexmith (2,255).

The North has a significant "shadow population" (individuals who work in the North but do not make the region their home), which presents unique challenges related to people services and community development.

* Excludes shadow population which is primarily located in the R.M. of Wood Buffalo.

Alberta's North:

- Has a younger population and higher birthrate compared to the provincial average.
- Has a higher inflow of new residents from other provinces and countries but lower growth rate. This suggests people are moving out of the region faster than they are moving to it.
- Has a higher percentage of people from other parts of Canada moving to the region compared to the provincial average, but has a lower percentage of immigrants from foreign countries.

- Has 33 of Alberta's 47 First Nations. Aboriginal Peoples make up at least 16 per cent of the population in the North. Aboriginal Peoples in the North account for more than half of Alberta's overall Aboriginal population.
- Has all of Alberta's eight Métis settlements.
- Has an average median family income below the provincial average.
- Has lower academic education levels compared to provincial averages. However, the trade certification rate in the North is higher than the provincial average.
- Is experiencing a decline in the voluntary sector.
- Is the preferred retirement destination for Northern residents aged 65 or older.
- Has no arts, cultural or heritage facility of national or international recognition.
- Has a network of community and regional galleries, museums, historical and cultural interpretive centres, performing halls and archives.
- Has a dedicated and committed network of professionals and volunteers dedicated to the advancement of arts, culture and community development.

Contribution to the Economy

Energy

In 2010, the North produced 86.5 per cent of Alberta's total oil production.

Natural gas	36.3 per cent of total Alberta production
Conventional crude oil	37.9 per cent of total Alberta production
Unconventional oil	100 per cent

Agriculture

In 2009, the North contributed 27.1 per cent of Alberta's total crop farms and 27.4 per cent of all livestock farms.

Total crop acreage	24.7 per cent	Livestock farms	27.4 per cent
Wheat acres	16.6 per cent	Total cattle and calves	19.5 per cent
Barley acres	15.8 per cent	Total pigs	4.0 per cent
Canola acres	31.1 per cent		
Oats acres	41.3 per cent		

Forestry

In 2009, the North produced an estimated 89 per cent of Alberta's wood products.

Investment in Major Projects

The North's share of the value of major products under way, completed in the last quarter or just announced as of December 2011 was $155.2 billion of the $208.8 billion (Major Projects Inventory) or 74 per cent of the total.

Section Five

Importance of First Nations and Métis

First Nations and Métis have the fastest-growing populations in Alberta's North.** This in itself strongly suggests that they must have a voice in the long-term development of the region's economy and communities. But even more compelling is their unique and historical connection to the land, which forms the basis of their identity, their culture and their legal and traditional rights. Indeed, their knowledge of the land provided a foundation for the region's earliest forms of settlement, trade and commerce. As we were told, "Aboriginal Peoples have been a part of the North for hundreds of years. We have not gone anywhere; we are not going anywhere. Our homes are here; our communities are here; our future is here."

Throughout our many meetings and discussions with First Nations and Métis, we were told consistently that the swearing-in of a new premier creates a much-welcomed opportunity to make progress on issues that can lead to stronger government-to-government relationships. Many of the leaders and community members and youth believe that a contemporary approach to relationships, blended and weaved within traditions that honour, respect and fulfill treaties, could create a positive and exciting new era for relations in Alberta.

Within this context, First Nations and Métis place a high priority on provincial acknowledgement and support for The United Nations Declaration on the Rights for Indigenous People and in particular to article 37, which reads,

> *Indigenous peoples have the right to the recognition, observance and enforcement of treaties, agreements and other constructive arrangements concluded with States or their successors and to have States honour and respect such treaties, agreements and other constructive arrangements.*

The Leaders of Treaty 8 First Nations and Métis communities we spoke with are encouraged by Premier Redford's acknowledgment of their important role in shaping the future of the North.

In our meetings and discussions with the Grand Chief of Treaty 8, First Nations Chiefs, the Leadership of the Métis Settlements and the Métis Nation of Alberta, Métis Elders, technical staff and community members, we were told enhanced resource development, the emergence of new industries, new transportation infrastructure, the expansion of global trade corridors, the inflow of new residents, urban growth and other inevitabilities associated with expanded long-term growth threaten their legal and traditional rights and will create enormous stress on their communities and their members.

Yet, there is broad agreement among Treaty 8 First Nations and Métis with whom we spoke that a vision and a plan for the long-term development of Alberta's North could be beneficial to their peoples, provided they help define and shape it and participate equally in the new economic opportunities created.

The topics of discussion ranged from consultation to mapping of traditional use areas to creation of economic opportunities. We believe First Nations and Métis are eager to participate in defining a vision and a strategy for northern development and have a uniquely important contribution to make.

In 2008, the Alberta Government and representatives of Treaties 6,7 and 8 signed the historic Protocol Agreement on Government-to-Government Relations. Premier Redford built on this foundation with the creation of a stand-alone provincial ministry of Aboriginal Relations and events such as the First Nations Opportunities and Educational Initiatives Forum. At the forum, Premier Redford, Minister of Aboriginal Relations Robin Campbell and other cabinet ministers met with First Nations' leaders to talk about improving economic opportunities and educational outcomes for First Nations people in Alberta.

Alberta is working with Aboriginal communities, the federal government, industry and other stakeholders to promote social and economic opportunities to enhance the quality of life of Aboriginal people in the province. For example, Alberta was the first province to develop an Aboriginal consultation policy on land management and resource development in 2005. Alberta also launched the First Nations Economic Partnerships, the first initiative of its kind in Canada. The program committed $4.95 million to facilitate new partnerships and support entrepreneurs, with the goal of increasing Aboriginal participation in the province's economy.

It is our profound hope that as this initiative moves forward, First Nations and Métis will be empowered to help shape the process and influence decisions and outcomes in ways that are real and meaningful to them.

* The comments in this section are from the Treaty 8 First Nations we met with. Meetings were also held with Treaty 6 First Nations. However, the Confederacy of Treaty Six First Nations has taken the position that it prefers to deal directly with the Government of Alberta on a Northern Alberta Development Strategy. Hence the comments in this Report have not been endorsed by Treaty Six First Nations.

** Other Aboriginal People or communities in Northwest Alberta include non-status or non-registered Indians; Registered Indians who are not members of First Nations; Métis who may or may not affiliate with any Aboriginal organization; isolated communities or cooperatives on provincial land. Alberta is also home to a small number of Inuit who migrated from Northwest Canada. There is an estimated 1,605 Inuit in Alberta mostly concentrated in Edmonton and Calgary.

Section Six

The Northwest Corridor

The Northwest Corridor represents one of Canada's magnificent national transportation assets. Its strategic importance has been the stuff of dreams and schemes for more than 140 years. Now, more than ever, there is strong interest in fully understanding and supporting its potential for becoming one of North America's most important trade corridors to the Pacific Rim. Its role in shaping and fulfilling the goals of a northern Alberta development strategy cannot be overstated. The Northwest Corridor is enormous, with many moving parts. It comprises a complex infrastructure network of roads and highways, railways, pipelines, utility and telecommunications systems, airports and seaports and related marine facilities.

It also encompasses communities and businesses spanning four provinces, treaty and non-treaty Aboriginal Peoples and traditional lands, and many organizations that have been specifically set up to advocate for or otherwise support it. Then there is the host of local, regional, provincial and federal departments and agencies with regulatory, administrative and policy responsibilities that control or affect the corridor's development, planning and day-to-day operations.

Defining the Geographical Location

In terms of geographical size and location, the Northwest Corridor is massive, comprising 43 per cent of Canada's land mass. It extends from the Haida Gwaii/Queen Charlotte Islands through the north-central regions of British Columbia, Alberta and Saskatchewan to the western portion of Manitoba. It provides two-way rail, highway and air connections between the Pacific Coast ports at Prince Rupert, Kitimat and Stewart to the Canadian transportation hub at Winnipeg. Essentially, the Northwest Corridor's route is defined by the Yellowhead Highway and the Canadian National Railway line extending through British Columbia and Alberta along the 54th parallel.

The Northwest Corridor's competitive advantages are significant. It provides connectivity from Winnipeg to year-round, deep-sea shipping ports at Prince Rupert, Kitimat and Stewart. It is strategically routed through the lowest of the five Rocky Mountain passes. The shorter distance from Prince Rupert, Kitimat and Stewart to Asia represents a one to two-day sailing advantage over all other ports on the West Coast of North America. In summary, the Northwest Corridor provides the shortest, straightest and flattest transportation route between North America and the Pacific Rim.

Importance to Alberta

The Northwest Corridor already provides vital routing for Canadian exports, especially for the products of Western Canada – coal, wood products, pulp, grain, minerals, petrochemicals, sulphur, potash, agricultural products, copper, fish, steel and uranium. The major exports from Alberta are coal, mining and mineral products, wood and paper, agricultural and food products, chemicals and plastics. In addition to exports, the Northwest Corridor provides a conduit for imports. For Alberta, these products primarily include manufactured goods, chemical diluent, electronics and food products.

The Northwest Corridor and its timely future development is important to Alberta because it affects the province's ability to not only get its current and future expansion of resource production to market — it also provides transportation flexibility and would be a key component of market diversification.

The Northwest Corridor represents an opportunity that is larger than Northern Alberta. It is, quite simply, one of the key ways that our province, and ultimately our country, will achieve sustainable growth and prosperity.

The corridor supports the realization of a Canadian Energy Strategy that will see our country's diverse and abundant energy resources deve' .ped responsibly and sold globally, creating long-term jobs and building Canada as a global energy leader.

Premier Redford has advocated for the creation of a Canadian Energy Strategy, and chairs a working group under the Council of the Federation to advance its development.

Developing new markets, especially in the fast-growing economies of Asia, and creating the infrastructure needed to get our products to these markets is crucial. For the land-locked western provinces, securing a route to the Pacific Rim via the West Coast is vital, and time is of the essence.

Having only one major market (the United States) puts Alberta's and Canada's economy at risk. We have already seen that the lasting recession and increasing energy production in the US has led to reduced demand and lower prices for our products.

By developing and growing new markets in other parts of the world, Alberta could receive higher prices for our energy, agricultural and forestry products, as well as other exported goods and services. Higher prices would generate more economic opportunity and investment in Alberta. This could translate into more jobs and increased revenues to support sustainable, enhanced programs, services and infrastructure for Albertans.

Alberta has been active in raising the province's profile in new markets, especially in the high-growth markets of Asia. Missions there led by the Premier and members of Cabinet, sometimes in conjunction with other western provinces, are building the personal relationships needed as the foundation for trade.

Expanded Market Opportunities

With some estimates of new investment in the oil sands reaching upwards of $180 billion over the next decade, it has never been more important for Alberta to diversify markets and to ensure that its products are not discounted because of overreliance on the U.S. market. Full pricing and new markets must be our goal. The Northwest Corridor will help us achieve those goals. The marketplace and industry have already signalled their interest in enhancing their capacities using the Northwest Corridor.

The proposed Enbridge Northern Gateway Project would see the construction of a nearly 1,200-kilometre twin pipeline system running from Bruderheim, near Edmonton, to Kitimat, BC. Some 525,000 barrels a day of petroleum from Alberta's oil sands would flow west to Enbridge's proposed Kitimat Marine Terminal, while just under 200,000 barrels a day of natural gas condensate would be carried eastbound to central Alberta.

Currently the only pipeline system that ships Alberta crude oil and refined products is the 1,150-kilometre Kinder Morgan Trans Mountain line, which runs from Edmonton to Kamloops, B.C. and then on to greater Vancouver, with a capacity of 300,000 barrels of oil per day.

Section Six

If approved, the Northern Gateway Project would provide a critically important routing and market alternative for Alberta oil.

Kitimat is also the location for a major natural gas handling facility, the first LNG plant in Canada. The facility, being built by Kitimat LNG, is slated for completion in 2015. It will include natural gas liquefaction, liquid natural gas storage and marine on-load facilities. The Pacific Trail Pipelines will eventually connect to the Kinder Morgan LNG project at Kitimat, and will be capable of exporting 1.4 billion cubic feet per day to Asia-Pacific markets.

Kitimat's transfer facilities currently import and export liquids such as diluents for oil sands upgrading. This historic relationship with Northern Alberta and rail infrastructure make it well positioned to move oil sands through Alberta's Industrial Heartland westward through the Northwest Corridor to the Port of Prince Rupert for Asia-Pacific export markets.

Alberta's Northern Alberta Development Council has identified the Northwest Corridor as vital for not only future energy resource development, but also for new economic opportunities related to forestry and agriculture — including new value-added processing, manufacturing and eco-tourism.

Alberta has already taken steps to connect the North with southern markets through CANAMEX, a 6000-km north-south trade corridor that stretches from Alaska to Mexico. What CANAMEX has done for north-south connections, the Northwest Corridor will do for east-west connections.

Alberta recognizes that transportation infrastructure is an economic enabler. It is also an investment in the safety of those who live and work in our province, as well as those who visit. To ensure that Alberta's transportation system meets the needs of the future, Alberta is working on a 40-year road, air and rail transportation strategy.

The Government of Alberta has announced that it will fast-track improvements to one of our busiest and most important routes, Highway 63 to Fort McMurray and the oil sands region. A completely divided four-lane roadway between Grassland and Fort McMurray will be completed by the fall of 2016. Accelerated twinning construction is part of a suite of measures that also includes enforcement, education and improved emergency response, as well as improvements to another area roadway, Highway 881.

Synergy with Alberta's Industrial Heartland

A Northwest Corridor strategy will support the further development of Alberta's Industrial Heartland, a unique and innovative area comprising 582 square kilometres and consisting of the City of Fort Saskatchewan, Strathcona County, Lamont County and Sturgeon County. With a nucleus of more than 40 companies and its close proximity to Edmonton Capital Region, the Industrial Heartland's ease of connectivity with the Northwest Corridor will mean more investment, more expertise and more value-added processing of Alberta's resources – a coveted goal sought by successive provincial governments for many decades.

An extensive pipeline system links many of the current Heartland industries to significant sources of oil and gas, as well as various chemicals. These linkages include connection with the Fort McMurray and Cold Lake regions in Northern Alberta, the Rocky Mountain House-Sundre area of the Rocky Mountain Foothills, the Strathcona Industrial area immediately to the west and the Prentiss-Joffre region in Central Alberta. A northern strategy built around the Northwest Corridor will take Alberta's Industrial Heartland and surrounding regions to a new level of global prominence.

Benefits for All Alberta

New markets, new investment and efficient modern infrastructure to carry Alberta products — including resources owned by the people of Alberta to more countries in the world — bring prosperity to the entire province. For Edmonton and Calgary, Alberta's two largest cities, this will mean new opportunities that will build on their unique strengths as major Canadian centres for business, financing, legal and professional services, learning, research, innovation, telecommunication and arts and culture. For fabricating and processing, manufacturing and supply and distribution centres large and small, throughout the central and southern regions of the province, a northern Alberta development strategy, including a Northwest Corridor strategy will mean investment and jobs.

Northwest Corridor Key Infrastructure Components

Port of Prince Rupert (PPR)

The Port of Prince Rupert harbour is the deepest, ice-free, sheltered natural harbour in North America. It offers a shorter transportation route to Asia-Pacific markets — 640 kilometres shorter than Vancouver and 1,760 kilometres shorter than Los Angeles. Within the Great Circle Route between eastern Asia and western North America, the PPR is the first inbound and last outbound port of call for cargo ships.

As an Asia-Pacific gateway, PPR also offers a transportation advantage because it is not burdened by costly and congested road, rail and marine terminals located in Los Angeles/Long Beach, Seattle, Portland, Oakland and, to a lesser extent, Metro Vancouver. Prince Rupert, which historically has 365 days a year of uninterrupted access, is also less impeded by annual mountain pass road closures, significant weather events, avalanches and urban-area traffic congestion that affect its southern counterparts.

Products primarily handled here consist of grain, coal, wood products, chemicals and, as of 2007, containers. Facility expansion is well underway at Prince Rupert in anticipation of increasing demand for port capacity.

North American demand for Pacific gateway capacity has significantly increased in the last few years and has implications for traditional exporters in terms of rail car availability and handling capacity at PPR.

The Port Authority has also advised of growing interest in the United States to use Prince Rupert as a viable alternative to congested port facilities along the American West Coast.

The PPR, in conjunction with the Government of British Columbia and the Government of Canada, is investing $90 million as phase one investment in BC's road and rail utility corridor at Ridley Island Terminal to handle increased bulk exports of coal, potash, lumber and wood pellets.

Port of Kitimat

Kitimat's harbour is wider than the Burrard Inlet at the Port of Metro Vancouver. It is serviced by the Yellowhead Highway and CN connects Kitimat to virtually all major continental locations.

As a community, Kitimat was planned as a conduit for an industrial-based economy — and therefore, there is substantial room for growth, unlike many of B.C.'s other major port locations. Kitimat has "the largest tract of developable lands at tidewater on the Pacific Coast of North America." The value of annual exports from Kitimat currently exceeds a billion dollars.

Port of Stewart

Stewart is located at the head of the Portland Canal, an ice-free fjord year-round and is Canada's most northerly ice-free port. Stewart has a paved access road south to Kitimat and the Yellowhead Highway. Heading north, Stewart links to the Alaska Highway.

Traditionally dependent upon resource industries such as mining and forestry, Stewart is pursuing new opportunities in shipping. Stewart Bulk Terminals has been serving the shipping needs of Northern B.C. since 1993 and is currently underutilized, with available capacity for growth.

Canadian National and Canadian Pacific Railways

The impressive Western expansion of Canada is the story of its two national railways, Canadian National (CN) and Canadian Pacific (CP) Railway. Both have extensive operations in and around the Northwest Corridor. Their products are as varied as the products produced in Canada and the imports that come into the country. For Western Canada generally, and for Alberta particularly, exports include coal, grain and other agricultural products, petroleum coke, minerals and forest products.

CN and CP provide a critical mass of the Northwest Corridor's transportation infrastructure. Increasingly, both companies are interested in upgrading and expanding their capacities for energy products.

Examples include:

1. The upgrading and expansion of CN's infrastructure to move bitumen from oil sands mine sites. CN moves roughly an equivalent of 50,000 barrels of oil per day (bpd) by rail, which is an increase from 2,000 bpd for the same period in 2011. Each train has a capacity of 60,000 bpd. CN has stated that with certain infrastructure enhancements it could ultimately move 7 trains per day, which in terms of volume would equal the daily capacity of the proposed Northern Gateway Pipeline. CN is now looking at infrastructure improvements to move bitumen from oil sands mining sites.

2. CP's terminal expansion (its expanded Edmonton terminal will be in service by 2012 and fully functional by 2014) to tie into existing diluent pipelines for transport from mine sites to purpose-built diluent extraction facilities.

3. In terms of rail shipments of crude oil, an 80 car train is capable of moving 52,000 barrels of U.S. Bakken oil per day. Bakken crude oil shipments have grown from 500 barrels in 2009 to 13,000 barrels in 2011, with potential to grow to 70,000 bopd.

4. CP supply-chain initiatives to facilitate enhanced transport of energy products (CP already moves conventional oil/gas products from the Bakken Formation Region in Manitoba, Saskatchewan and Alberta). It also ships bitumen, diluted bitumen (dilbit) and synbit (a 50/50 blend of bitumen and synthetic crude oil) to the Port of Metro Vancouver, using the Southern Corridor, and to other North American refineries and ports. This route provides an alternative to the proposed Northern Gateway and Keystone XL pipeline projects. CP noted to us that the Port of Metro Vancouver continues to have available capacity.

5. CP has stressed the importance of the development of Edmonton/Hardisty intermodal facilities, expansion of Alberta's Industrial Heartland and the construction of purpose-built rail terminals. Integrated rail network, via Calgary's intermodal facility, can then be used to transport oil sands products to purpose-built West Coast rail terminals, or other refineries/ports as per shippers' requests.

CN and CP both have expressed support for a northern Alberta development strategy and see rail transportation playing an increasingly more important role in moving Alberta products and new volumes. Planning will be critical. For shippers, cost and service will be also be critical, as well as accessing the linkages that can move their products. CN and CP see rail as a viable alternative to pipelines. Integration, however, will be key, especially in ensuring supply-chain efficiency.

Efficiency, competition, service and line closures are some of the main issues we hear about. All are complex — and, in our view, underline the importance of a strategy that can provide a vision, objectives and a planning framework based on partnerships, consensus and co-ordination.

We believe these two companies have a genuine interest in strengthening their co-operation with each other. For example, for the past three years CN and CP have had running agreements in place to create efficiencies in and out of Port of Metro Vancouver via the Fraser Canyon. While this is acknowledged as a positive development, maintaining competition is also important. Achieving a balance should be a goal of a northern development strategy.

Both companies emphasize that oil by rail is a pull and pipelines are a push. Rail can move to the best markets while pipelines must continue to move to dedicated markets regardless of market forces. This underlines the "enhanced options" argument.

Section Six

Airports

The Northwest Corridor contains a large network of international, regional, municipal and private airports. This includes Edmonton International Airport. Connecting to this is the network of airports in Alberta's North. This network includes regular service in seven communities (Fort McMurray, Grande Prairie, Peace River, Fort Chipewyan, Lloydminster, High Level and Rainbow Lake) and community/regional airports in 31 centres. The Fort McMurray Airport Authority, established in 2009, is currently planning for significant expansion and redevelopment. Its plans are intended to be integrated with and support several other important initiatives related to community development in the R.M. of Wood Buffalo and to regional transportation infrastructure involving highways and rail.

Air transportation in Northern Alberta is a major topic of interest and a sensitive topic. It will also be one of the most important components of a long-term northern development strategy. In addition to the obvious role it plays in moving people and cargo, it is viewed by local officials, community members and industry as a critical element for community development and well-being (i.e. its role in emergency access, medical care, attracting people to move and remain in the North), industry diversification (especially for tourism) and growth in its traditional industries. With the North's limited year-round road systems, effective air transportation has a special importance in linking the North with larger centres in the South, and linking the many small and remote communities in the North to each other.

As growth continues to strain northern transportation arteries there is a growing need to articulate a strategy to address these needs. This includes integration of regional strategies, such as between Edmonton and the North as it moves to close the City Centre Airport and boost northern service through Edmonton International Airport. Better integration and communication across regions would help ease lingering uncertainties.

The anticipated closure has created interest in the further development of community/regional airports at South Cooking Lake, Villeneuve and Josephburg.

Edmonton International Airport

Edmonton International Airport (EIA) is located on the Queen Elizabeth Highway #2 linking the North, the Industrial Heartland and Edmonton to central Alberta and Calgary and the Trans Canada Highway #1. This provides road access to Port of Metro Vancouver through the Southern Corridor. The EIA's close proximity to the Yellowhead Highway #16 means it is also connected to the Northwest Corridor transportation network. The EIA is also conveniently located to both the CN and CP Rail networks providing access to the Northwest and Southern Corridors via rail transportation.

Through the Port Alberta initiative, the EIA is advancing its unique capabilities as a regional, provincial, national and international import and export hub utilizing air, rail and road transport.

Highways

The Trans Canada Yellowhead Highway (Highway #16), more widely known as the Yellowhead Highway, is the spine of the Northwest Corridor's vital road transportation network. The Yellowhead connects the four western provinces starting at Winnipeg and westward through Portage La Prairie, Saskatoon, Edmonton, Jasper, Hinton, Prince George and Prince Rupert.

The Yellowhead directly links with north-south highway connectors into the important agricultural and resource-rich areas of Alberta's Peace Country and Northeast British Columbia. It also links the Northwest Corridor to important economic resources in southern Yukon Territory and in the Northwest Territories.

At Hinton the Yellowhead meets Highway #40 which connects to Grande Prairie and to Dawson Creek via Highway #43. At Dawson Creek, Highway #97 extends northward to Fort Nelson and Watson Lake in Yukon Territory. At Watson Lake there is connectivity further north via Alaska Highway #1 to Whitehorse and the Klondike Highway #2 which extends south to Fraser, British Columbia continuing on to the port at Skagway, Alaska. Also at Watson Lake, Highway #37 runs southward to the Port of Stewart (#37A) in British Columbia. Highway #37 continues south, joins the Yellowhead at Terrace and into Prince Rupert. Kitimat is at the southern end of #37.

The Yellowhead also provides connectivity to the major network of Highways south. In Edmonton it connects with the Queen Elizabeth II Highway (Highway #2) between Edmonton and Calgary. In Calgary Highway #2 continues south connecting with the network of highways in the Unites States and Mexico called the Canamex Corridor. In Calgary, Highway #2 also connects with the Port of Metro Vancouver via the Trans Canada Highway #1.

The vital importance of maintaining and strengthening the interconnectivity of the Yellowhead Highway network is well-understood by shippers and exporters, especially in discussions concerning longer-term development of the vast resources of northern lands. They believe it also offers important options and flexibility for addressing vulnerability and exposure to Fraser Canyon rail line blockages, weather-related tie-ups and congestion or closures at Port of Vancouver.

There has been much discussion and attention focused on the need to twin Highway #16 at Jasper. Indeed some view this as the major limiting factor in the Yellowhead's capacity to support significant growth of new markets in Asia or enhanced development of economic resources in the North. The twinning of Highway #16 at Jasper presents equally significant challenges related to protected areas and environmental concerns.

Yellowhead advocacy groups also identify a number of issues related to existing transportation regulations and burdensome red tape inhibiting increased transportation capacity. The Yellowhead is identified as a major building block for developing secondary industries including the large untapped tourism potential in the various regions it serves.

The systematic, timely and integrated construction of a highway network in Northern Alberta will be a key factor in unleashing the full economic potential of Alberta's North and in maximizing the potential trade benefits of the Northwest Corridor. Highways in the North not only support resource development but are looked upon as opening the door for new opportunities in agriculture, tourism, forestry, mining, business development and the services sector. Highways should be viewed as a vital component in community development and contributing to a Western and Northern Canada integrated trade and development network.

In June 1998 the Western Premiers adopted a concept plan called the Northwestern Canadian Integrated Road Network Plan (NCIRNP). The Plan represented years of extensive studies and discussions among the various jurisdictions with respect to longer-term requirements for more coordinated action to develop the economic potential of northern lands. Projects identified for Alberta included the Northern Alberta East-West Highway Corridor.

Section Six

Considerations

In assessing the Northwest Corridor, Alberta should also consider:

1. The existing infrastructure network has the capacity to handle incremental increases in shipping volumes immediately, as well as the capacity to expand in response to increased development. The goal of a northern strategy is to work in partnership with other political jurisdictions and service providers to efficiently plan for that expansion. Building strong relationships with other jurisdictions through efforts like the Canadian Energy Strategy will help achieve this goal.

2. Other western provinces and the northern territories have large resource bases that can also benefit from expanded transportation capacity, improved efficiency and better coordination to expand their access to global markets using the Northwest Corridor.

3. The Northwest Corridor infrastructure has connectivity with north-south transportation infrastructure, creating new opportunities for moving more kinds of products and reaching new markets.

4. The Northwest Corridor has tremendous potential for even wider connectivity to expand its range and reach to Canada's Far North and Alaska. It offers highway connectivity between ports such as Fraser in British Columbia and the Alaskan ports of Hyder, Haines and Skagway. Governments and industry in the Far North and Alaska could become important allies in facilitating alternative transportation corridors via the Bathurst Inlet in Nunavut and a Canada-Alaska rail link, utilizing the Port of Valdez for possible future trans-Bering trade routes.

5. A wide range of groups — businesses, industry, local government, special-interest groups, think tanks and non-government organizations — are centrally focused on enhancing outward-facing trade opportunities in Asia-Pacific markets by utilizing the Northwest Corridor. Stakeholders recognize the need to expand export markets and diversify trade from traditional U.S. customers to include the burgeoning Asia-Pacific region. There is a need to continue this important work; however, duplication of effort is an issue.

6. The federal government's Asia-Pacific Gateway and Corridor Initiative (APGCI). The program provides federal funding to support transportation infrastructure and enhance global supply chains, including B.C. rail and road connectivity to the Lower Mainland Ports and the Port of Prince Rupert.

7. Alberta already has in place a number of ministries and agencies with mandates, expertise and networks to conduct a more detailed analysis of the Northwest Corridor and its relevancy for incorporation into a Northern Development Strategy. These organizations include: Northern Alberta Development Council; Alberta Economic Development Authority; Regional Economic Development Alliances; Competitiveness Council; and the Oil Sands Secretariat.

8. Even more importantly, the Alberta Government has already put in place a number of planning or coordinating initiatives that are highly relevant for any Northwest Corridor planning that might be initiated or for longer-term infrastructure planning to support a northern Alberta development strategy. Some of these initiatives, such as the Heavy Module Corridor Task Group and the Multi-Use Corridor Task Group, are in the early stages of development, which provides an excellent opportunity to integrate or coordinate with a longer-term northern Alberta development strategy and Northwest Corridor strategy.

9. The Comprehensive Regional Infrastructure Sustainability Plan (CRISP) and the Land Use Framework (LUF) are two other initiatives that because of their importance to Alberta's economic future, require special mention. These two initiatives were supported by extensive multi-government and multi-stakeholder consultation and both incorporate much of the philosophy, thinking and attitudes needed for a northern Alberta development strategy and for the longer-term development of the Northwest Corridor.

   CRISP identifies infrastructure needs created by accelerated investment and rapid economic rapid growth with. At its core, it acknowledges that infrastructure is an essential requirement for creating a competitive business environment and building desirable communities for citizens. The CRISP process seeks to understand the types of infrastructure investments that are needed in schools, health facilities, transportation, water-related facilities and in other critical areas and seeks to also understand when the infrastructure will be needed.

   The Athabasca Oil Sands Region CRISP Plan has been released. CRISP planning for the Cold Lake Oil Sands Region is underway. While infrastructure planning is typically the purview of the province and municipalities, this is not the focus of the CRISP. It is more interested in knowing what infrastructure is needed and when, through a collaborative approach that allows for innovation.

   Similarly, the Lower Athabasca Regional Plan P) is the first of what will eventually be seven regional plans covering the entire province. Through a process of community engagement, visioning and goal-setting, these regional land use plans seek to create regions that balance the social, environmental and economic realities and desires of each region.

   The LARP is now on the path towards implementation. The plan includes direction on several fronts including multiple land use, environment protection, cumulative effects, conservation, community enhancement and development.

It is clear that much of the desired social and economic outcomes of LARP will be closely tied to the CRISP outcomes. Taken together, these two initiatives aim to strengthen the social, environmental and economic development potential regionally. Alberta's investment in these two initiatives and its new expertise in regional planning and development provide a firm foundation for infrastructure-related planning to support both a northern Alberta development strategy and the Northwest Corridor.

LARP is also part of a move by Alberta toward integrated resource management, where economic, social and environmental outcomes are balanced. In addition to land use planning, which seeks to responsibly manage a variety of land uses for sustainability, Alberta is also enhancing environmental monitoring, protection of landowners' rights and better regulating industry through the creation of a single energy regulator.

Section Six

Broader Issues

There are also broader issues to be considered:

- The Northwest Corridor presents complex jurisdictional issues, including multiple levels of government spanning a very broad spectrum of issues and Aboriginal issues spanning several jurisdictions.
- Sensitive protected areas and environmental issues.

Alberta has already begun moving forward with several initiatives to improve environmental performance, especially in the oil sands region. A new, arm's-length provincial environmental monitoring agency is being created to lead the most comprehensive environmental monitoring program in Canada. It will be built on credible science, research and data collection on land, air, water and biodiversity.

Alberta is partnering with the federal government on an oil sands monitoring program that will be one of the most progressive and comprehensive of any industrially-developed region in the world. It will be transparent, credible and peer-reviewed, to give government and industry the scientific foundation necessary to ensure the sustainable development of the oil sands. Such efforts to demonstrate leadership in responsible, sustainable economic development in the North will be vital to the region's future.

- Many of the groups involved with the Northwest Corridor speak about overlap and duplication of effort and "people going around in circles." However, there is substantial support for co-coordinated planning and focused effort for a Northwest Corridor plan.
- Expectations are high in the North for change. Northerners believe the timing is right for a new discussion on how to develop their region.

The following is a list of intra-Alberta transportation issues identified as having an impact on the development of a long-term development strategy for northern Alberta, or affecting its success:

General Conclusions on Northwest Corridor Infrastructure

1. Western Canada has an established network of transportation infrastructure (parts of which are underutilized, some parts with limited or strained capacity). Western Canadian industries can access world-class railway systems interconnected throughout North America utilizing intermodal, trans load and yard facilities; West Coast and inland ports servicing major Asia-Pacific markets, with the ability to boost export and import capacity; and transportation possibilities in any direction on the continent. The region also has north-south transportation infrastructure to connect with the major

westbound transportation arteries, creating increasing opportunities to develop Northern economies by connecting to the major West Coast ports.

2. The Port of Prince Rupert has emerged as an important alternative to other West Coast ports. Its proximity to Asian markets — in conjunction with the deepest ice-free natural harbor in North America, existing rail connections, and capacity for growth — make it a national treasure and an important strategic asset for Western Canadian trade with the Asia-Pacific market. Alberta has an historical connection to Prince Rupert, thanks to its investment in the Ridley Grain Terminals. Alberta should have a special interest in its capacities and further development.

3. The Northwest Corridor provides an important strategic asset for Alberta and an asset that is also important to other Western provinces and the Northern Territories. Alberta should take a lead in advocating for the Northwest Corridor's importance to the province, Western Canada, and the nation, in terms of market diversification and the Corridor's efficient and timely development. With the recent creation of the New West Partnership and the Alberta Northwest Territories Memorandum of Understanding, there are mechanisms in place for advancing discussions around this concept.

4. An increased American interest in using the Port of Prince Rupert should be examined to assess whether this represents future threats to our Western Canadian competitive advantage. The United States now represents 20 per cent of Prince Rupert's total handling, 25 per cent of its exports and receives 50-60 per cent of all its imports. In 2008 there was no US coal shipped to Prince Rupert whereas in 2011, U.S. Powder River Basin coal represents 25 per cent of all coal exports. Given the fact that the vast majority of export capacity used by the US moves through the prairie provinces, this merits the immediate attention of coal producers, agri-food producers, the forestry industry, the western premiers and the federal government.

5. Exporters in B.C. have the distinct advantage of proximity to Pacific coastal ports and east-west rail and highway corridors. They also have road and rail links to Northern B.C., with road connections through the Northwest Territories, the Yukon and Alaska by way of the Alaska and Klondike Highways looping south to Stewart, Prince Rupert and Kitimat. This interconnectivity bodes well for northern producers of forest products, agricultural products, new natural gas development and wilderness and ecological tourism. The region has a rich First Nations heritage that dates back over 10,000 years, and an abundance of venues for tourists to experience this culture.

6. Rail transportation of bitumen provides an important additional option. Two examples include: CP shipments, via Edmonton/Hardisty and Calgary, to the Port of Metro Vancouver; and CN shipments from Edmonton/Hardisty westward via the Port of Prince Rupert.

7. Continual improvement to shipping-line efficiency and expansion of CN and CP intermodal facilities are key requirements for the Northwest Corridor (examples that were identified include Regina, Saskatoon, Port Alberta and Grande Prairie).

8. The transportation sector is experiencing a critical shortage of skilled workers. Increased participation by Aboriginals would play an important role in addressing the problem. Government support for skills training is needed.

9. It appears that First Nations in the Port of Prince Rupert region are more successfully engaged in the port's development. The Prince Rupert Port Authority has successfully negotiated agreements and drafted a framework with First Nations for the port expansion. This is one of many examples of good relations.

10. Economic diversification outside the larger centres in the North will be linked to air transportation. An integrated policy for northern air transportation is needed.

11. With additional potential for shipping hydrocarbons by rail, with U.S. increased usage of rail capacity for Powder River coal and mid-west grain through the West, governments must ensure long term sustainability of Port of Prince Rupert capacity for Canadian importers and exporters.

Section Seven

Potential Next Steps

1. Undertake a detailed assessment of the role of the Northwest Corridor in supporting a northern Alberta development strategy to identify overlap and synergy with other government planning or consultative initiatives.

2. Appoint a technical working group comprising government and non-government members to design a process for technical and public input for the formulation of an Alberta position on the Northwest Corridor. The focus is to define Alberta's interests, its objectives and what is required to achieve those objectives, including financial costs and an implementation plan.

3. Prepare an assessment of the jurisdictional issues involved in the Northwest Corridor.

4. Establish a process to integrate the Alberta position on the Northwest Corridor with the planning and preparation of a northern development strategy to maximize efficiency and alignment, as well as integration of priorities, policies, decisions, timing and financing.

5. Continue dialogue with other levels of government that possess interests or jurisdiction affecting the Northwest Corridor to identify common areas of interest and co-operation.

6. Establish a mutually acceptable process for engagement of First Nations, Métis and other Aboriginal Peoples, building on the work underway through Aboriginal Relations and forums such as First Nations Opportunities and Educational Initiatives Forum.

7. Establish a task force to examine and report on energy trade "optionality" — that is, the transportation of energy products by rail, road and ocean shipping to other North American markets or export points.

8. Establish a ministerial task force on air access for Northern communities, with a view to recommending policy initiatives that enable small communities to realize their potential in the context of a northern Alberta development strategy.

9. Review the June 1998 Northwestern Canadian Integrated Road Network Plan.

Section Eight

A Call to Action

We constrain ourselves and perhaps the potential of a northern Alberta development strategy by defining it with limiting terms like efficient and timely infrastructure, market diversification, training workers or even community improvement. Instead, it should be thought of as a project for this decade – for today's generation of Albertans. We should approach it committed and excited by the opportunity it gives us to apply our best creativity and thinking. We should also feel empowered by trust and the knowledge our contributions will be thoughtfully and respectfully received and considered. It should not be undertaken as a task to be accomplished – it should be thought of as a legacy for our children and for their future generations. It must inspire. It must be done right.

The long-term development potential of the North is enormous and spans the rest of the 21st century and well beyond. We have the time to do it right. Alberta's North is not lacking in investment today; it is not lacking attention; it is however still playing catch up from the accelerated growth it has experienced in past years. And it struggles with capacity limitations created by newer development. These issues must be dealt with, but we must resist letting that process drive our motivation for a northern Alberta development strategy.

Let our motivation come from a deeper place that assures us of the rightness of standing behind a region that is helping all Albertans learn how to use the blessings of abundant resources in ways that are not wasteful and which achieve the highest standards for sustainability. Let us do so in new ways that respect the indigenous peoples who have lived there for centuries. Together let us learn, honour and celebrate how the land speaks to them; also, let us know and celebrate the history of early northern settlers, who like all Albertans today, only wanted a brighter future. That is what we should demand of a northern Alberta development strategy.

We end our report where some might have started – talking about vision. Simply stated, we see in the North so much that can inspire, excite and unite us. We see in its untapped potential and in its growing roar a power capable of rallying Albertans to new heights of achievement and prosperity. We see in the North new opportunities for Alberta to build stronger, perhaps even more relevant, relationships with its provincial and territorial neighbours and with our national government.

We are reluctant to suggest a process for how a northern Alberta development strategy can be carried out. There could be several paths to lead us to where we want to go. Alberta has more experience than almost any other jurisdiction when it comes to organizing and gathering public input. Alberta can also look to recent examples elsewhere in Canada – for other provinces too are awakening to the realization their northern lands may have a greater role in the future. Both Ontario and Quebec have recently put in place 25-year northern development plans.

Like Alberta, Ontario and Quebec see in their northern regions opportunities that can respond to globalization, and address issues related to large, remote expanses of land and small scattered populations. Unlike Alberta, they seek large investment for their northern regions. With more than $150 billion in new projects under way or announced for its North, Alberta is obviously already a destination of choice for investors. What we should be seeking in a northern Alberta development strategy is a plan that ensures that the investment that comes to Alberta is building our North and our province at a pace and in the manner that Albertans have already helped shape.

Section Eight

Our thoughts for a northern Alberta development strategy could be implemented are contained in the following call to action:

1. The vision for a northern Alberta development strategy be shaped through consensus-building process led by the Premier and be part of her overarching vision to move the province forward

2. The vision process has the full and meaningful engagement of First Nations and Métis. It is key that the Premier continue to build a strong relationship with Aboriginal leaders and communities.

3. The guiding principles and process for building a northern Alberta development strategy be developed through respectful and empowered partnerships.

4. A northern Alberta development strategy be developed in a manner that inspires, excites and unites the whole province.

5. A northern Alberta development strategy aim high in terms of its goal – that it aspires to make Alberta's North a world leader in northern community living and the driver of Alberta's and Canada's market expansion in the Pacific Rim. To be successful, we must begin to plan our communities in the North – how they will look and function, how they and their products can be accessed, how they will attract and retain diverse highly skilled workers, how their schools will educate and train for success in a global marketplace and how they will create a quality of life that makes their communities desirable places to live.

6. A northern Alberta development strategy serve as a foundation for Alberta to work with other jurisdictions to achieve consensus on issues that impact increased Western and Northern Canada's shared aspirations for greater access to the Pacific Rim and to markets beyond. This work has already begun with creation of the New West Partnership among BC, Alberta and Saskatchewan, and the work it is doing to reach new markets in Asia.

7. A northern Alberta development strategy complement and where possible inform and build on the many initiatives already under way to address capacity shortages in the North as well as land use planning.

Section Nine

Who We Talked With

His Worship Mayor Stephen Mandel
City of Edmonton

Mr. George Rogers, MLA, Leduc-Beaumont

Mr. Jim Ellis Deputy Minister of Energy,
Government of Alberta

Mr. Justin Riemer, Assistant Deputy Minister,
Enterprise and Advanced Education

Mr. Michael Evans, Office of the Mayor,
R.M. of Wood Buffalo

Mr. Gary Klassen, General Manager of Planning,
City of Edmonton

Mr. Tony Caterina, Alderman Ward 7, City of Edmonton

Her Worship Mayor Linda Osinchuk,
Mayor of Strathcona County

Mr. Gerald Gabinet, Director of Economic Development
and Tourism, Strathcona County

Mr. Dan Dibbelt, Executive Director Northern Alberta
Development Council

Hon. Robin Campbell, MLA,
Minister of Aboriginal Relations

Chief Allan Adam, Athabasca Chipewyan First Nation

Grand Chief Richard Kappo, Treaty 8 First Nations

Mr. Joseph Jobin, Chief Executive Officer,
Treaty 8 First Nations

Mr. Kevin Ahkimnachie, Director of Land Management
Treaty 8 First Nations Métis Settlement General Council

Mr. Toby Racette, VP Métis Nation of Alberta

Mr. Rocky Sinclair, Chief Executive Officer Albert Indian
Investment Corporation

Ms. Sonya Savage, Vice President Government Relations,
Enbridge Inc.

Port Alberta

Yellowhead Highway Association

Mr. Peter Wallis, President and CEO Van Horne Institute

Mr Brady Whittaker, President and CEO Alberta Forest
Products Association

Mr. Mike Cory, Senior VP Western Region Canadian
National Railway

His Worship Mayor Bill Given, City of Grande Prairie

Ms. Mary Joan Aylward, Operational Manager,
Northwest Corridor Development Corporation

Mr. Jason Copping, General Manager Government
Relations & Gateways – Canadian Pacific Railway

Prince Rupert Port Authority

Métis Settlement General Council

Executive, Métis Nation of Alberta

Executive Director Treaty 6 First Nations

Mr. Doug Elniski, Chair CPC of Energy

Athabasca Tribal Council First Nation